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Stanbic Bank Kenya PMI[®]

Private sector economy starts to improve in September

Key findings

Business activity increases for the first time since April

Sales growth returns, leading to faster rise in employment

Strongest improvement in delivery times in four years

Business conditions began to recover across the Kenyan private sector in September. The Stanbic Bank Kenya PMI[®] signalled an improvement in business performance for the first time in five months, driven by solid expansions in output, new orders and employment. An easing of supply-side pressures meanwhile resulted in the greatest shortening of delivery times in four years. The rate of input price inflation slowed in September, but firms signalled a quicker increase in selling charges.

The headline figure derived from the survey is the Purchasing Managers' Index™ (PMI[®]). Readings above 50.0 signal an improvement in business conditions on the previous month, while readings below 50.0 show a deterioration.

The Kenya PMI rose to 51.9 in September, up from 49.4 in August and above the 50.0 neutral mark for the first time since April. The index pointed to a fresh upturn in the health of the private sector, after a period impacted by political protests and rising price pressures.

Driving the improvement in business conditions was a renewed expansion in activity, which in turn was strongly related to rising sales and a stabilising economy. Out of the firms surveyed, roughly a third (33%) noted that their output had grown during September, compared to 23% that recorded a decline. Some businesses reportedly benefitted from effective marketing and investment into products and services. That said, some areas experienced weakness, especially in the construction industry where output fell sharply.

On sales intakes, the survey data also signalled a renewed upturn in September. New business growth was solid, having rebounded after four months of consecutive downturns.

This recovery encouraged firms to hire new staff, leading to a rise in employment that was the quickest recorded since May 2023. With staff capacity up, firms managed to deplete their backlogs for the fourth month running.

In contrast, purchasing activity continued to fall in September,

Stanbic Bank Kenya PMI

sa, >50 = improvement since previous month



Sources: Stanbic Bank, S&P Global PMI.
Data were collected 11-26 September 2025.

Comment

Christopher Legilisho, Economist at Standard Bank commented:

“Business conditions expanded in September, implying the start of a recovery after the disruptions that followed protests in Q2:25. New orders and output strengthened as consumer demand improved, despite some firms reporting caution from clients due to still challenging economic conditions. Employment meanwhile increased due to gains from new orders and output. However, low sales in recent months led to sustained weakness in firms’ buying decisions; quantities purchased fell in September, although inventory stocks rose.

“Firms reported a moderation in the rate of input price inflation in September, despite some businesses remaining concerned about higher taxes and commodity prices.

“Encouragingly, business prospects for the upcoming year were still strong, albeit far off from historical trends — this implies that, while conditions for some firms have been improving, most still experience the business environment as challenging.”

with businesses citing that low sales in recent months had weighed on their ability to buy new inputs. Nevertheless, with supply-side pressures easing further after protest-related disruption and vendors willing to deliver items more quickly to gain work, input stocks did increase. Notably, delivery times improved at the strongest rate in exactly four years.

For the second month running, Kenyan businesses reported a softening of input price inflation in September. Though solid, the latest increase in overall costs was the weakest since May. Where a rise was recorded, firms signalled this was mainly due to higher taxes and rising prices for several items such as fuel and foodstuff.

As cost pressures eased, firms raised their selling prices to a greater extent than the 12-month low seen in August. Inflation was largely linked to higher costs and rising sales. However, the increase was only modest.

Finally, Kenyan firms looked towards future activity with sustained confidence. Despite ticking down from August, the 12-month outlook was still one of the best observed in nearly three years. Several firms hope to expand their outlets, diversify product offerings and ramp up marketing.

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Survey methodology

The Stanbic Bank Kenya PMI® is compiled by S&P Global from responses to questionnaires sent to purchasing managers in a panel of around 400 private sector companies. The panel is stratified by detailed sector and company workforce size, based on contributions to GDP. The sectors covered by the survey include agriculture, mining, manufacturing, construction, wholesale, retail and services. Data were first collected January 2014.

Survey responses are collected in the second half of each month and indicate the direction of change compared to the previous month. A diffusion index is calculated for each survey variable. The index is the sum of the percentage of 'higher' responses and half the percentage of 'unchanged' responses. The indices vary between 0 and 100, with a reading above 50 indicating an overall increase compared to the previous month, and below 50 an overall decrease. The indices are then seasonally adjusted.

The headline figure is the Purchasing Managers' Index™ (PMI). The PMI is a weighted average of the following five indices: New Orders (30%), Output (25%), Employment (20%), Suppliers' Delivery Times (15%) and Stocks of Purchases (10%). For the PMI calculation the Suppliers' Delivery Times Index is inverted so that it moves in a comparable direction to the other indices.

Underlying survey data are not revised after publication, but seasonal adjustment factors may be revised from time to time as appropriate which will affect the seasonally adjusted data series.

For further information on the PMI survey methodology, please contact economics@spglobal.com.

About PMI

Purchasing Managers' Index™ (PMI®) surveys are now available for over 40 countries and also for key regions including the eurozone. They are the most closely watched business surveys in the world, favoured by central banks, financial markets and business decision makers for their ability to provide up-to-date, accurate and often unique monthly indicators of economic trends. www.spglobal.com/marketintelligence/en/mi/products/pmi

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